



# House of Representatives

General Assembly

**File No. 374**

February Session, 2002

Substitute House Bill No. 5211

*House of Representatives, April 8, 2002*

The Committee on Finance, Revenue and Bonding reported through REP. MCDONALD of the 148th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING REIMBURSEMENT LIMITS FROM THE UNDERGROUND STORAGE TANK PETROLEUM CLEAN-UP ACCOUNT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (2) of subsection (a) of section 22a-449c of the  
2 general statutes, as amended by section 37 of public act 01-9 of the June  
3 special session, is repealed and the following is substituted in lieu  
4 thereof (*Effective July 1, 2002*):

5 (2) The account shall be used by the Commissioner of  
6 Environmental Protection to provide money for reimbursement or  
7 payment pursuant to section 22a-449f to responsible parties or parties  
8 supplying goods or services, or both, to responsible parties for costs,  
9 expenses and other obligations paid or incurred, as the case may be, as  
10 a result of releases, and suspected releases, costs of investigation of  
11 releases and suspected releases, and third party claims for bodily  
12 injury, property damage and damage to natural resources.

13 Notwithstanding the provisions of this section regarding  
14 reimbursements of parties pursuant to section 22a-449f, the responsible  
15 party for a release shall bear all costs of the release that are less than  
16 ten thousand dollars or more than one million dollars, except that for  
17 any such release which was reported to the department prior to  
18 December 31, 1987, and for which more than five hundred thousand  
19 dollars has been expended by the responsible party to remediate such  
20 release prior to June 19, 1991, the responsible party for the release shall  
21 bear all costs of such release which are less than ten thousand dollars  
22 or more than [three] five million dollars. There shall be allocated to the  
23 department annually, for administrative costs, two million dollars.

This act shall take effect as follows:	
Section 1	July 1, 2002

**ENV**      *Joint Favorable Subst. C/R*

**FIN**

**FIN**      *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note****State Impact:**

Fund-Type	Agency Affected	FY 03 \$	FY 04 \$
EQ (Underground Storage Tank Petroleum Clean Up Account) and GF	Department of Environmental Protection	See Below	See Below

*EQ - Environmental Quality Fund*

**Municipal Impact:** None

**Explanation**

Increasing the limit on reimbursements by \$2 million for releases which were reported to the Department of Environmental Protection (DEP) prior to December 31, 1987, and for which more than \$500,000 has been expended by the responsible party to remediate the release prior to June 19, 1991 will impact two sites. Only one of the two sites is anticipated to use these funds, increasing costs to the Underground Storage Tank Petroleum Clean-Up account by \$2 million. This account is currently funded through the transfer of a portion of the petroleum gross receipts tax from the General Fund. When the account balance falls below \$5 million, tax payments are credited to the account until the \$15 million ceiling is reached. Therefore, the bill could increase the amount transferred from the General Fund to the account. HB 5051 of the current session changes the current funding mechanism to a fixed \$3 million per quarter (\$12 million a year). If HB 5051 becomes law, this bill could delay payments of other claims.

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**OLR Bill Analysis**

sHB 5211

**AN ACT CONCERNING REIMBURSEMENT LIMITS FROM THE UNDERGROUND STORAGE TANK PETROLEUM CLEAN-UP ACCOUNT****SUMMARY:**

This bill increases the account's reimbursement limit, from \$3 million to \$5 million, for certain clean-up costs incurred because of leaking underground fuel storage tanks. To be eligible for reimbursement, a responsible party must have (1) reported the leak to the Department of Environmental Protection before December 31, 1987 and (2) spent more than \$500,000 to remediate it by June 19, 1991.

EFFECTIVE DATE: July 1, 2002

**BACKGROUND*****Underground Storage Tank Petroleum Clean-up Account***

This account reimburses responsible parties for remediation costs they incur because of leaking underground storage tanks. Eligible costs include those incurred as a result of releases, suspected releases, release-related investigations, and third-party claims for bodily injury, property damage, and damage to natural resources. By law, a responsible party is any person or entity, including the state or a municipality, that owns or operates an underground storage tank or underground tank system which leaks. The responsible party must pay the first \$10,000 of costs incurred.

**COMMITTEE ACTION**

Environment Committee

Joint Favorable Substitute Change of Reference

Yea 24      Nay 0

Finance, Revenue and Bonding Committee

Joint Favorable Report

Yea 43      Nay 0